



# County of Los Angeles **CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
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Fifth District

March 17, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

## **MOTION TO SUPPORT SB 1010 (POOCHIGIAN) RELATED TO EMPLOYMENT LAW (ITEM NO. 5, AGENDA OF MARCH 18, 2003)**

Item Number 5 on the March 18, 2003 agenda is a motion by Supervisors Knabe and Antonovich to support SB 1010 (Poochigian) and instruct the Chief Administrative Officer to send a letter to Governor Davis and the Los Angeles County Legislative Delegation urging support for the early passage and enactment of SB 1010.

The intent of SB 1010 is to repeal or amend certain recent laws related to overtime, prevailing wages, workers' compensation benefit increases, labor standards, and payment of workers' compensation premiums by temporary agencies. The bill suggests that these statutes have contributed to the State's current fiscal crisis by creating an 'anti-business climate' in California. As introduced, SB 1010 consists of legislative intent language to repeal changes and additions to existing law made by Chapter 134 of 1999 (AB 60), Chapter 938 of 2001 (SB 975) and Chapter 6 of 2002 (AB 749), and makes substantive changes to Sections 1205 (Chapter 298 of 2002) and 3302 of the Labor Code (Chapter 1098 of 2002). Each statute is discussed below.

AB 60 (Knox) of 1999 revised overtime provisions and removed exemptions to these provisions for State and local governmental entities and certain classes of their employees. On June 22, 1999, the Board of Supervisors unanimously adopted a position of oppose unless amended to exempt the County from coverage. However, we removed our opposition because the County was eventually exempted from coverage.

SB 975 (Alarcon) of 2001 expanded the definitions of public work and public funds to include more projects under the prevailing wage requirement, which resulted in an immediate cost of approximately \$80 million on projects pending before the Community

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Development Commission. On August 28, 2001, the Board of Supervisors unanimously adopted an oppose position on this measure.

AB 749 (Calderon) of 2002 provided benefit increases for workers' compensation such as a four-year phased increase in the maximum weekly benefit for temporarily disabled and totally and permanently disabled workers from \$490 currently, to \$840 in 2005, after which it will be adjusted annually by a cost-of-living factor. The County opposed this measure in the February 1, 2002 State Update based on existing policy.

Although SB 1010 includes legislative intent language to repeal AB 60, SB 975 and AB 749, the bill does not repeal these provisions in its current form.

In addition, SB 1010 would make the following substantive changes to existing law: 1) amend Section 1205 of the Labor Code, added by Chapter 298 of 2002; and 2) repeal Section 3302 of the Labor Code, added by Chapter 1098 of 2002. SB 1010 has an urgency clause.

Chapter 298 of 2002 (AB 2509) permits local government agencies to impose labor standards more stringent than those required by State law on local projects which receive State funding. SB 1010 would delete this provision from existing law. The County did not take a position on AB 2509.

Chapter 1098 of 2002 (AB 2816) requires that, when a temporary agency enters into a contract with a licensed contractor to provide the licensed contractor with the services of an individual, the temporary agency must pay the workers' compensation premiums for that individual based on the experience rating of the licensed contractor. AB 2816 also clarified that the temporary agency shall be solely responsible for workers' compensation for that individual. SB 1010 repeals these provisions. The County did not take a position on AB 2816.

Since the County did not take positions on the two bills directly affected by SB 1010, there is no existing policy to support SB 1010. **Therefore, support for SB 1010 is a matter for Board policy determination.** SB 1010 is currently in the Senate Industrial and Labor Relations Committee awaiting a hearing date.

DEJ:GK  
MAL:JF:EW:ib

c: Executive Officer, Board of Supervisors  
County Counsel